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# GLOBAL PRACTICE FOR SUSTAINABILITY

Hyosung TNC 2024 ESG Compact Book

**HYOSUNG** TNC

# About This Report



## Cover Story

Based on the group's four core values of 'Global Excellence,' 'Innovation,' 'Accountability,' and 'Integrity,' Hyosung TNC continues to challenge towards a sustainable future. This goes beyond simple management philosophy; it serves as an action principle for growth alongside all stakeholders, including customers, employees, shareholders, and local communities. Moreover, the company's sustainability vision, "Innovation for a Better Tomorrow," embodies the promise that today's innovation creates a better world for tomorrow.

The cover of the Hyosung TNC 2024 ESG Compact Book is designed with motifs from its flagship textile yarn products, illustrating that just as individual threads come together to form a strong fabric, small innovations and efforts combine to build a sustainable future. The organic and dynamic flow of the yarn symbolizes Hyosung TNC's commitment to opening new possibilities through continuous research and responsible management.

Moving forward, Hyosung TNC aims to grow as a trusted company among stakeholders through top-quality products, differentiated technological capabilities, and responsible ESG management. The company aspires to positively impact the global sustainability value chain beyond the textile industry.



### For Additional Information and Inquiries

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# Company Profile



## General Overview

Hyosung TNC is a global textile and trading specialist company launched as an independent affiliate following the business restructuring of Hyosung Corporation in 2018. Through the development of advanced textile materials and technological innovation, it maximizes customer value and leads the future of the global textile industry. Additionally, it solidifies its position in the global market through distribution and logistics networks in the steel and chemical sectors. Hyosung TNC will continue striving to become a world-class global enterprise contributing to improving customers' lives by practicing the Hyosung Way.

### Company Name

Hyosung TNC Corporation

### Date of Establishment

June 4, 2018

### CEO

Chi-hyung Kim

### Headquarters Location

119 Mapo-daero, Mapo-gu, Seoul, Republic of Korea

### Business

- **Textile : Spandex, Nylon/Polyester, Textile/ Dyeing**
- **Trade/Other : Steel and Metal, Chemical Products, Some Sevit Business, Gwangju Cold Storage Warehouse Business**

### Production Sites

China, Vietnam, Türkiye, India, Brazil, etc.

### Key Export Regions

Americas, Europe, Asia, etc.

### Number of Employees



1,317 people

### Sales



KRW 7,776.1 billion

### Operating Income



KRW 270.7 billion

## Sales and Sales Proportion by Business Division

### Textile

KRW 3,157.2 billion

Spandex, Nylon/Polyester Yarns  
Textile/Dyeing, PTMG production, etc.



40.6%

### Trading and Others

KRW 4,618.9 billion

Trading of steel and chemical products,  
production of NF3 gas and tire reinforcements, etc.



59.4%

# Company Profile

Hyosung TNC:  
New Innovations for a Sustainable Life

# Innovation a Better Tomorrow



### GLOBAL PRODUCTION SITE

Hyosung TNC has established manufacturing subsidiaries in regions such as China, Vietnam, Türkiye, India, and Brazil to expand sales for rapid response to demand while being recognized by customers for the highest quality.



### SUSTAINABLE SOLUTION

Hyosung TNC, as a partner of the Textile Exchange Association, provides sustainable solutions through the development and research of new products, such as regen, the recycled fiber brand which has obtained GRS certification, and regen BIO, which uses renewable raw materials.



### GLOBAL TRADING NETWORK

Hyosung TNC is growing together with export-import partners by pioneering new markets such as Latin America, Africa, and the Middle East and diversifying trade structures that activate intermediary trade.

Hyosung TNC is committed to transforming people's daily lives for the better through technological innovation and sustainable solutions.

### Crafting a Better Future

Spandex

Nylon

Polyester

CREORĀ

CREORĀ

CREORĀ

### For the Next Generation

Recycled product

BIO product

regen

regen BIO

# Approach to Sustainability

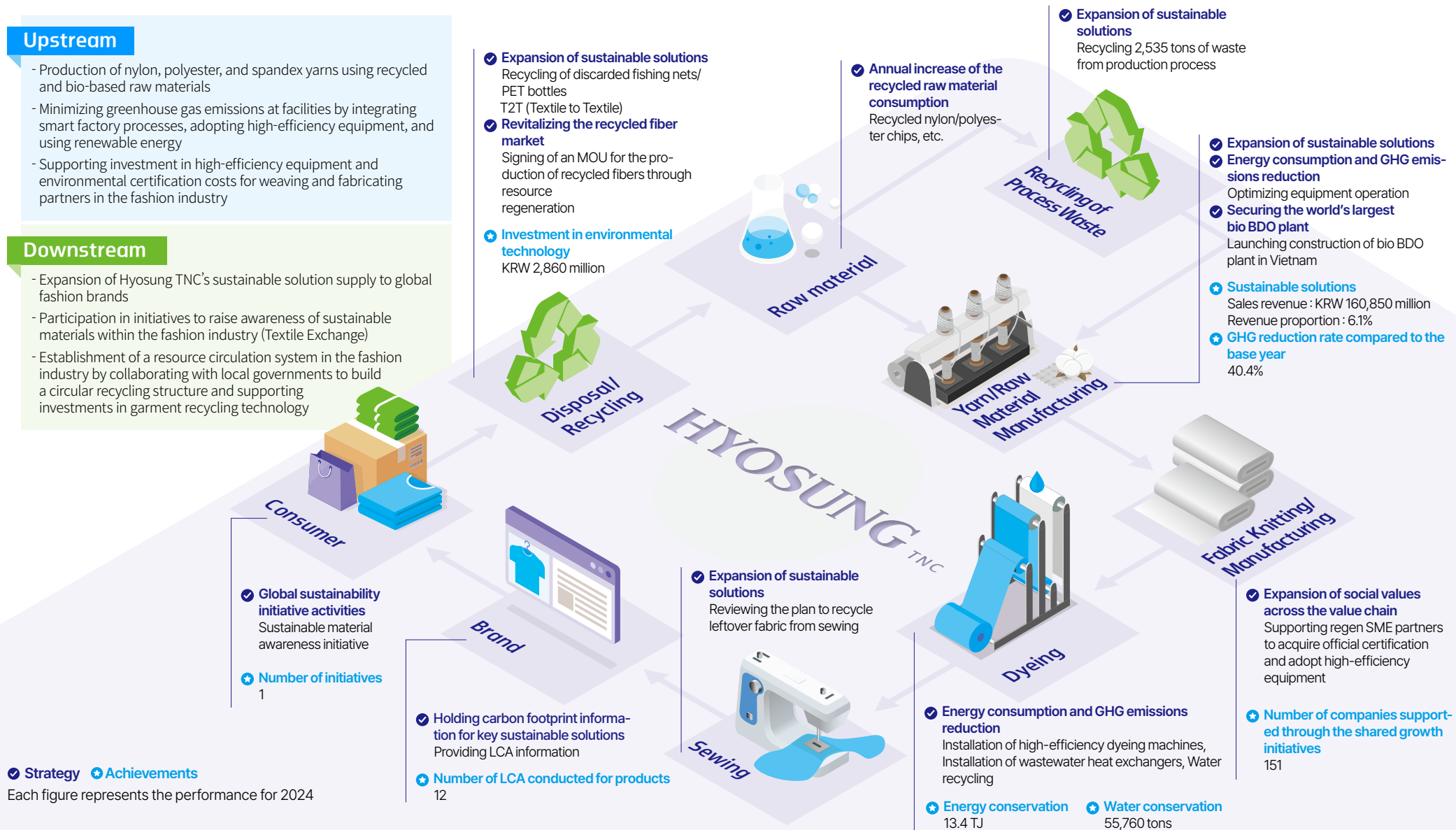
Hyosung TNC is building a value chain to enhance sustainability in the textile and apparel sectors. As the top global spandex producer, Hyosung TNC plans to drive sustainability initiatives across the industry.

## Upstream

- Production of nylon, polyester, and spandex yarns using recycled and bio-based raw materials
- Minimizing greenhouse gas emissions at facilities by integrating smart factory processes, adopting high-efficiency equipment, and using renewable energy
- Supporting investment in high-efficiency equipment and environmental certification costs for weaving and fabricating partners in the fashion industry

## Downstream

- Expansion of Hyosung TNC's sustainable solution supply to global fashion brands
- Participation in initiatives to raise awareness of sustainable materials within the fashion industry (Textile Exchange)
- Establishment of a resource circulation system in the fashion industry by collaborating with local governments to build a circular recycling structure and supporting investments in garment recycling technology



✔ Strategy ✦ Achievements

Each figure represents the performance for 2024

# Approach to Sustainability

## 2024/25 ESG Performance Highlights

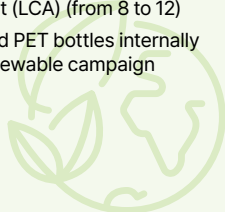
### INVESTMENT & BUSINESS

- Investment in the expansion of Spandex/PTMG in China
- Investment in the expansion of Spandex in India and Türkiye
- Acquisition of Hyosung Chemical's Specialty Gas Business
- Establishment of a subsidiary Hyosung Neochem



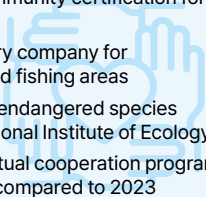
### ENVIRONMENTAL

- 40.4% reduction in GHG emissions compared to the baseline year (Based on domestic business sites)
- Proportion of sales from sustainable solutions increased by 17% compared to the previous year
- Calculation and third-party verification of Scope 1, 2, and 3 emissions for 14 overseas subsidiaries
- Increase in the number of items assessed under Life Cycle Assessment (LCA) (from 8 to 12)
- Collected 42,693 used PET bottles internally through the regen renewable campaign



### SOCIAL

- Establishment of a sustainable supply chain management committee
- Establishment of the "Safety and Health Policy"
- Maintained ISO 45001 certification for the Gumi and Ulsan plants
- Maintained PSM grade S
- Renewed Family Friendly Management Certification
- Received CSR in the community certification for Ulsan plant
- Selected as an exemplary company for ESG practices in rural and fishing areas
- Recognition for funding endangered species conservation by the National Institute of Ecology
- Support through the mutual cooperation program nearly doubled in 2024 compared to 2023



### GOVERNANCE

- Establishment of the ESG management committee under the board of directors in 2025
- Establishment of the compensation committee under the board of directors in 2025
- Delivered ethics management training for employees of overseas subsidiaries (All employees at the Dong Nai subsidiary in Vietnam and office staff at the Jiaxing Chemical subsidiary in China)



## Environmental Certifications for Products

Category		Certified Site
Issuing Organization	Certificate Name	
Control Union	GRS-Version 4.0	HQ / Ulsan / Daegu / Gumi / Overseas Subsidiaries etc.
	ISCC EU/PLUS	HQ
	OBP-Version 1.1	HQ / Gumi
OEKO-TEX	Standard 100	Daegu / Dong Nai
SGS	ECO/22/CEBEC/00026	HQ

## Awards & Recognitions

Award Title	Issuing Organization	Award Title	Issuing Organization
Rural ESG Practice Recognition Institution (2023-2024)	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA)	Endangered Species Conservation Sponsorship Recognition	National Institute of Ecology (under the Ministry of Environment)
Outstanding Rural ESG Practice Recognition Institution (2024)	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA)	Presidential Citation for Marine Resource Conservation (2024)	Government of the Republic of Korea
Minister of Health and Welfare Award under the Community Contribution Recognition Program (Ulsan Plant)	Ministry of Health and Welfare-Korea National Council on Social Welfare	Minister's Citation for Contribution to Rural Partnership Fund (Individual)	Ministry of Trade, Industry and Energy

## ESG Ratings

**B+**  
(Environment: A, Social: A+, Governance: B)

**A**

**A-**

**ecovadis**  
COMMITTED Sustainability Rating NOV 2024

## Participation in Global Initiatives

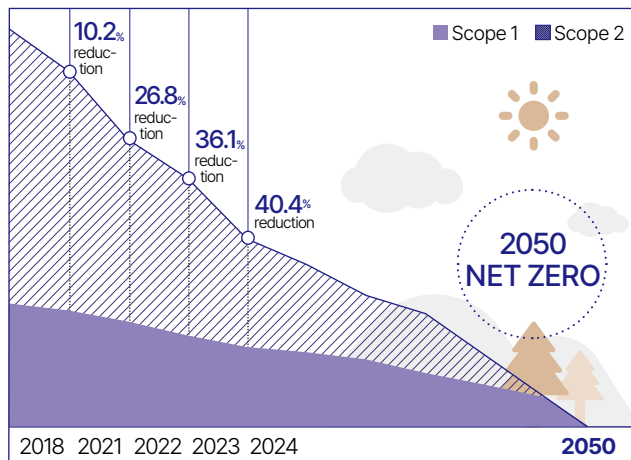
# Response to Climate Change

## Targets

### 2050 Net Zero

Hyosung TNC has established a 2050 Carbon Neutrality (Net Zero) roadmap to contribute to global carbon neutrality efforts. The company is undertaking various greenhouse gas reduction initiatives across its business operations to achieve the 2050 carbon neutrality targets. In 2024, the company reduced greenhouse gas emissions by 40.4% compared to 2018 levels at its domestic sites. Starting in 2025, Hyosung TNC has established a global greenhouse gas management system through the calculation and verification of emissions not only at domestic sites but also at overseas subsidiaries. The company also plans to set company-wide greenhouse gas reduction targets and develop a mid-to long-term roadmap to achieve them. The company will also explore various reduction measures, including transitioning to low carbon fuels and purchasing electric/hybrid vehicles for direct emissions reduction. Additionally, Hyosung TNC will promote the expansion of renewable energy usage through various transition methods, such as Power Purchase Agreements (PPA) and Renewable Energy Certificates (REC).

### Roadmap to Net Zero by 2050



## Response Activities

### Energy Consumption Reduction

Hyosung TNC is continuously implementing energy-saving activities, including improving the efficiency of utility facilities and maintaining equipment to reduce energy consumption. In 2024, the company replaced old equipment with new low-pressure compressors and installed turbo blowers at wastewater treatment facilities, and plans to continue improving the efficiency of processes and facilities each year.

#### Key Energy-Saving Activities in 2024



Replacing old equipment with new low-pressure compressors

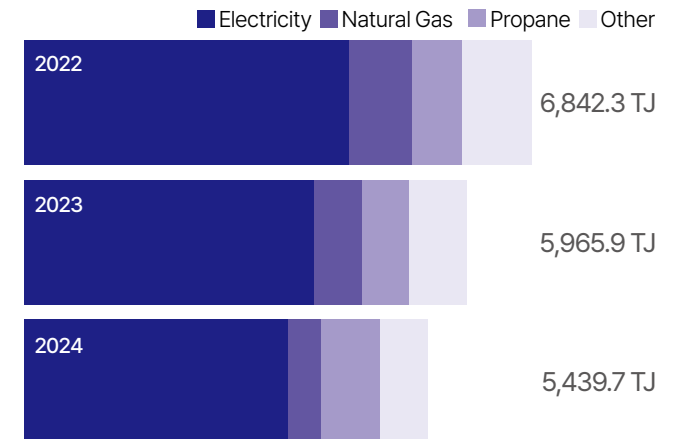


Installing air pre-heaters



Installing turbo blowers at wastewater treatment facilities

#### 3-year Energy Consumption Trend



### Greenhouse Gas Metric Management

Hyosung TNC annually reports the Scope 1 and 2 emissions for each of its domestic business sites to the government and calculates the Scope 3 emissions for 8 out of the 15 categories, which are publicly disclosed. Starting in 2023, the company has established an organization to manage greenhouse gas emissions data for overseas subsidiaries included in the reporting scope, and is calculating Scope 1 and 2 emissions. From 2024 onwards, the calculation scope has been expanded to include Scope 3 emissions as well. In addition, Hyosung TNC conducts third-party verification of greenhouse gas emissions for both domestic and overseas subsidiaries and plans to continually expand the scope of greenhouse gas emissions calculation in the future.

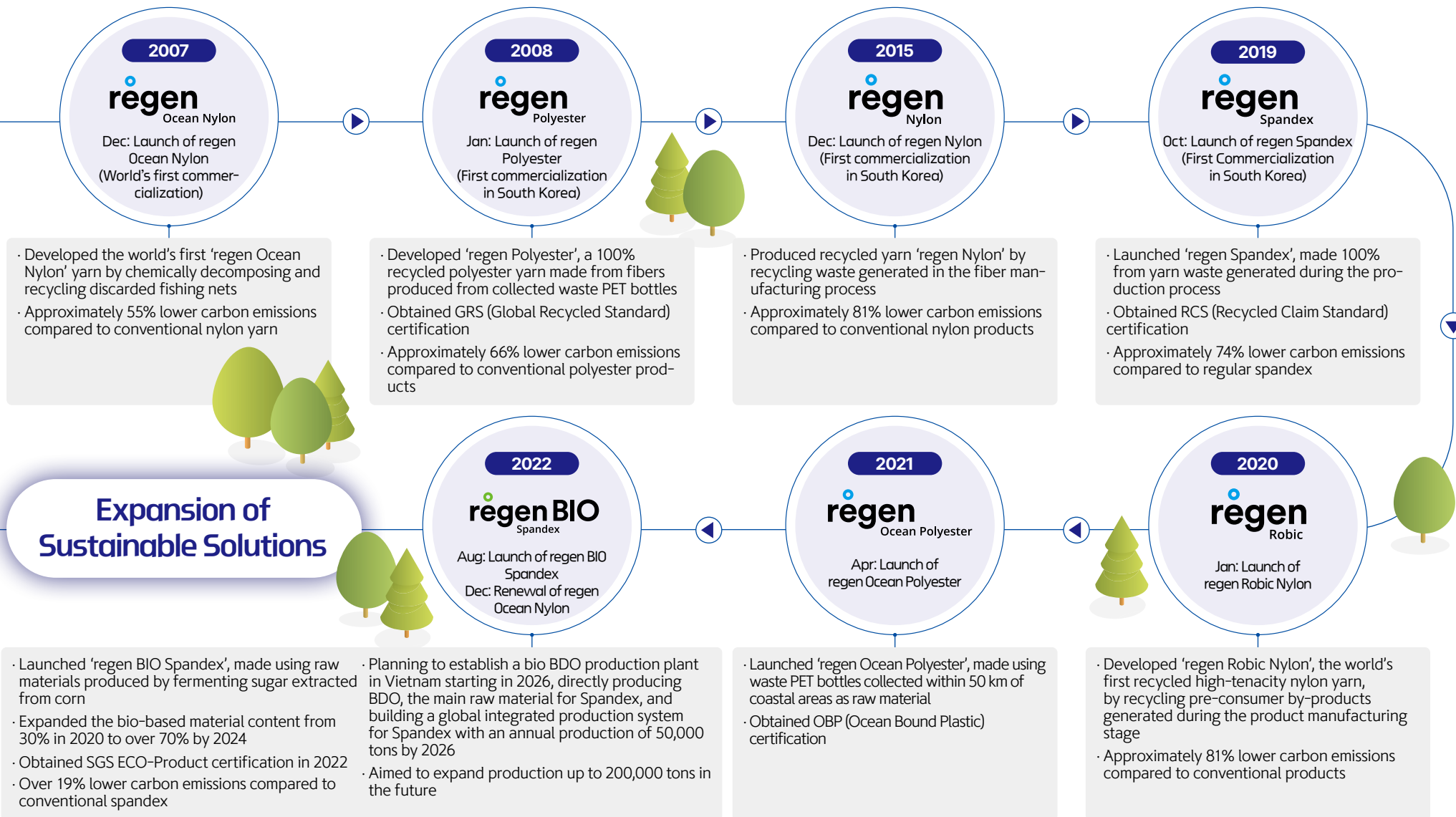
(Unit: tCO<sub>2</sub>eq)

Classification		2022	2023	2024
Scope1	Domestic	84,107	70,830	72,405
	Overseas	270,522	254,578	268,474
Scope2	Domestic	213,577	188,932	171,692
	Overseas	858,860	949,118	1,053,933
Total		1,427,066	1,463,458	1,566,504
Scope3*		1,610,264	1,123,587	10,936,241

\* Scope 3 emissions were calculated for 8 out of the 15 categories. Starting from 2024, scope 3 emissions for overseas sites have been included.

# Sustainable Business Model

## Special Page | The Journey of Sustainable Textiles with regen



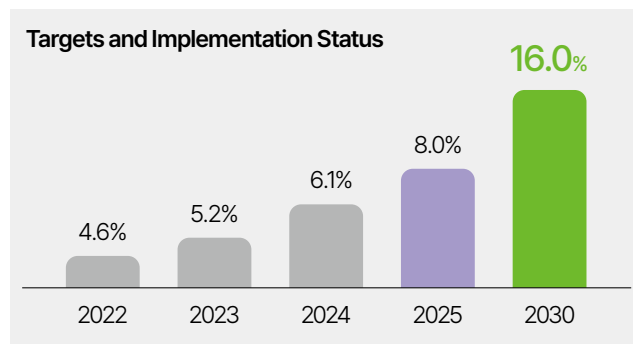
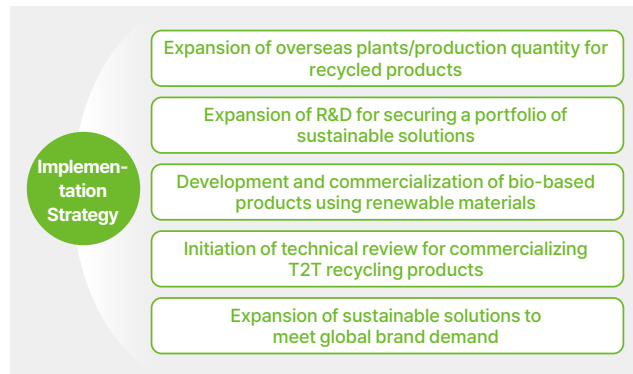
\* The reduction in carbon emissions was verified based on third-party LCA validation reports by KSLCA/Korea Testing Laboratory and LCA calculation result reports by Networks Y/Eco Networks-Y/Econetwork/EnSTAR

# Sustainable Business Model

## Sustainable Business Management Framework

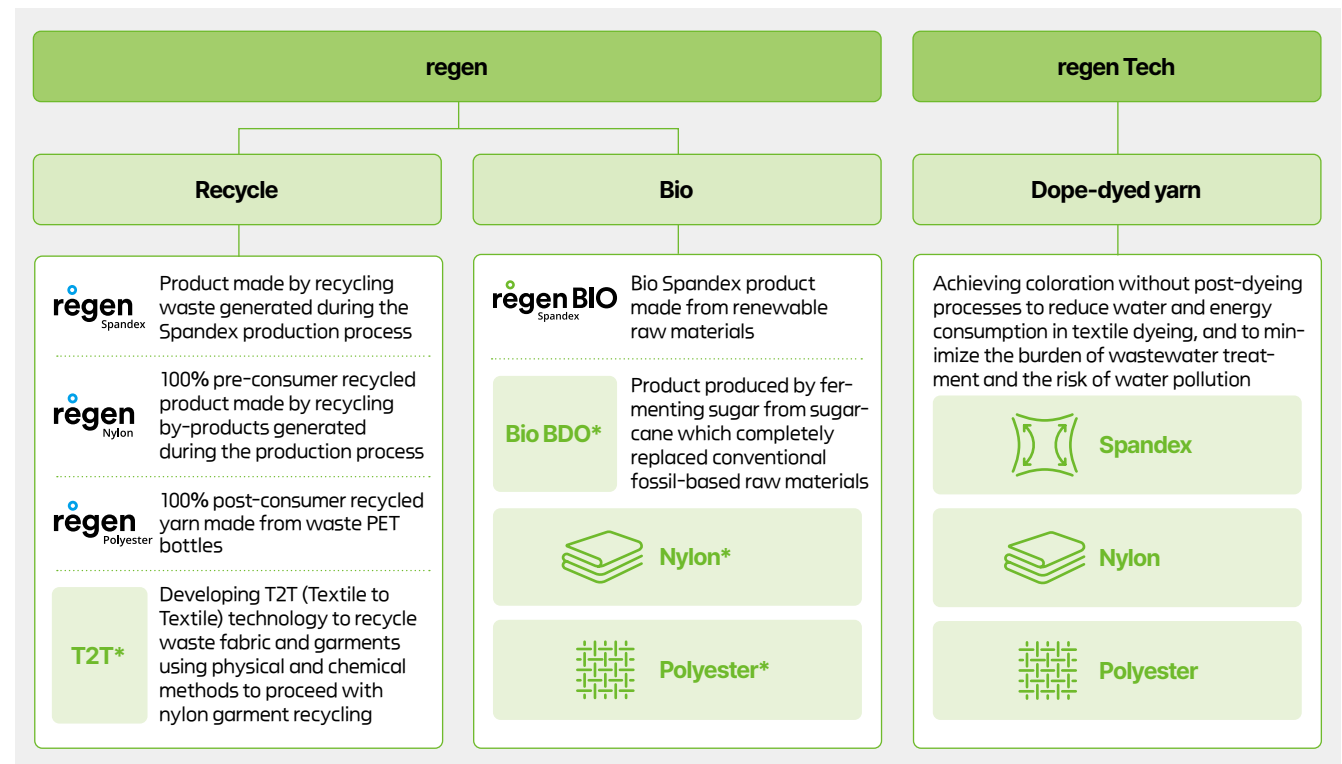
### Implementation Strategies and Targets

To minimize the negative environmental impacts of the textile industry across the value chain, Hyosung TNC has adopted the expansion of sustainable solution sales as a core business strategy. As part of this effort, the company has set a target to increase the share of sustainable solutions to 16% of total yarn product sales by 2030. In 2024, the proportion of sustainable solution sales reached 6.1%. Hyosung TNC plans to continuously expand its portfolio of sustainable solutions to achieve its 2025 sales target.



### Sustainable Solutions

With the European Union (EU) significantly expanding the scope of the Ecodesign for Sustainable Products Regulation (ESPR), the importance of developing sustainable products and technologies in the textile industry has been increasingly emphasized. In response to the global shift toward a circular economy, Hyosung TNC is actively promoting the development of sustainable products and technologies. The company's 'sustainable solutions' are divided into two product groups, regen and regen Tech. regen refers to a line of products manufactured by incorporating recycled raw materials or renewable bio-based materials derived from plants during the raw material stage of production. regen Tech refers to a line of products designed to help customer companies reduce negative environmental impacts, such as carbon emissions and water consumption, during their own production processes.



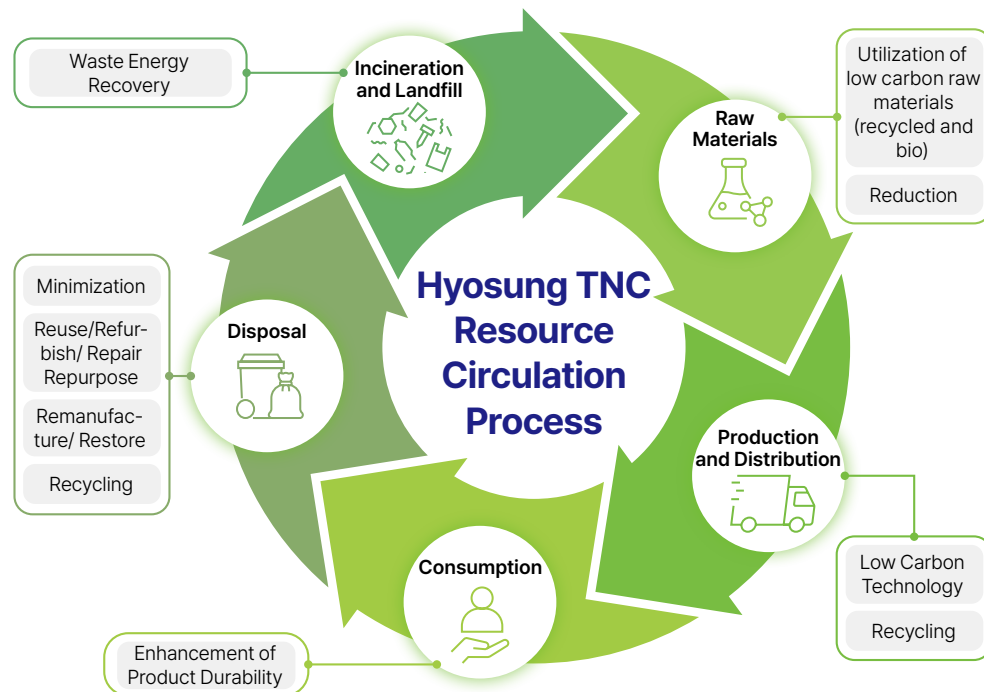
\* Products currently under development

# Sustainable Business Model

## Establishment of Resource Circulation System

### Resource Circulation Process

To help preserve the Earth's resources for future generations, Hyosung TNC adopts a company-wide approach to resource circularity. The company aims to efficiently utilize resources throughout all stages of the product life cycle-including raw material use, production and distribution, consumption, disposal, incineration, and landfilling- in order to promote waste recycling. To contribute to the creation of a sustainable circular economy, Hyosung TNC has established processes for each stage and developed sustainable materials using recycled fishing nets and PET bottles to help realize resource circularity.



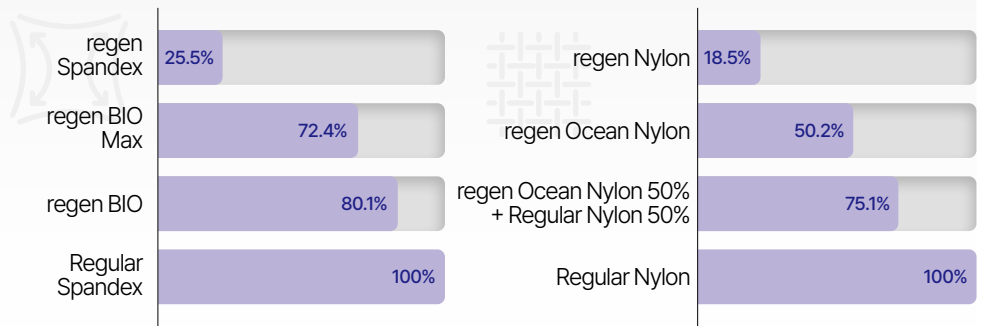
### Life Cycle Assessment (LCA)

As a global textile materials company, Hyosung TNC began undertaking Life Cycle Assessment (LCA) in 2022 to systematically manage the environmental impact of its products. Through LCA, Hyosung TNC preemptively identifies environmental risks associated with its products and derives mitigation plans. In 2024, the scope was expanded to include sustainable products such as bio-based Spandex and recycled nylon. LCA results are used to identify key factors that cause significant environmental impacts and to drive innovation in design and process. Additionally, LCA serves as fundamental data to respond to requests from global clients and stakeholders and to support the acquisition of key eco-friendly certifications.

#### Overview of LCA Analysis

Scope of LCA Calculation	Cradle-to-Gate (Raw material acquisition and production-Raw material transportation-Product manufacturing)		
Collected Data	On-site data, LCI DB		
Calculation Program	GaBi (Based on ISO 14040 and ISO 14044)		
Impact Category	<ul style="list-style-type: none"> <li>Resource depletion</li> <li>Acidification</li> <li>Eutrophication</li> <li>Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Ozone layer depletion</li> <li>Photochemical oxidant formation</li> <li>Particulate matter (fine dust)</li> <li>Human toxicity</li> </ul>	<ul style="list-style-type: none"> <li>Ionizing radiation</li> <li>Land use</li> <li>Particulate matter (fine dust)</li> <li>Water footprint</li> </ul>

#### Greenhouse Gas Emissions by Key Products



# Human Rights Management

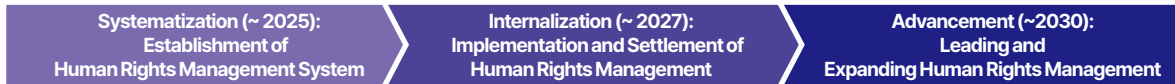
## Human Rights Management Strategy and Performance

Hyosung TNC is continuously strengthening its human rights management system with the aim of “protecting and respecting the rights of all stakeholders.” To achieve this objective, the company has set 3 strategic pillars - “Building a Culture of Respect for Human Rights,” “Practicing Transparent Human Rights Management,” and “Establishing a Risk Analysis and Response System” - and corresponding implementation tasks. Hyosung TNC is committed to the continuous advancement of its human rights management system to create an environment where all stakeholders are respected and valued.

Mission

### Management that Protects and Respects the Human Rights of All Stakeholders

Mid- to long-term Targets



Strategic Direction



Implementation Tasks

- |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Improve human rights management policies and guidelines in accordance with global standards</li> <li>Elevate awareness through human rights training for all employees</li> <li>Establish clear sanctions and procedures for addressing human rights violations</li> </ul> | <ul style="list-style-type: none"> <li>Publicly announce the Human Rights Management Declaration</li> <li>Disclose activities and achievements related to human rights management</li> <li>Communicate with internal and external stakeholders to exchange opinions</li> <li>Establish and promote adherence to human rights standards among suppliers within the supply chain</li> </ul> | <ul style="list-style-type: none"> <li>Conduct human rights impact assessments and risk analysis</li> <li>Develop improvement plans for human rights violation issues in high-risk areas</li> <li>Strengthen the grievance management system for all stakeholders</li> </ul> |
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2024 Initiatives and Achievements

- |                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Implemented human rights management training for all employees at domestic headquarters and sites</li> <li>Expanded the scope of human rights training by distributing educational materials to employees at overseas subsidiaries</li> <li>Conducted specialized online/offline training with external experts for personnel responsible for human rights management</li> </ul> | <ul style="list-style-type: none"> <li>Announced the Human Rights Management Declaration under the CEO's name and posted it on the homepage</li> <li>Revised Human Rights Management Policies to meet global standards and published them on the homepage</li> <li>Conducted written assessments and on-site inspections to evaluate ESG risks among suppliers in the supply chain</li> </ul> | <ul style="list-style-type: none"> <li>Improved human rights impact assessment criteria (8 issues, 164 indicators)</li> <li>Analyzed results and developed future improvement initiatives based on reviews with external experts</li> <li>Investigated reports of human rights violations from the HR Counseling Center (2 cases)</li> <li>Established new employee counseling and grievance programs with specialists</li> </ul> |
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## Human Rights Management Declaration

In 2024, Hyosung TNC issued a Human Rights Statement under the CEO's name to reaffirm its commitment to practicing transparent human rights management. Hyosung TNC also publicly disclosed key policies on its website, including the Human Rights Policy, Redress Manual for Human Rights Violations, Diversity and Inclusion Policy, Policy to Support the Elimination of Forced Labor and Human Trafficking, and Anti-Discrimination and Harassment Policy.

### Human Rights Management Declaration

As a global company creating sustainable future value, Hyosung TNC Co., Ltd. declares that we will respect human rights and fulfill its social responsibilities towards all stakeholders, including employees, customers, partner companies, and local residents, based on the founding philosophy of 'respect for humanity' in all management activities. Therefore, we declare the Hyosung TNC "Human Rights Management Declaration" based on the international human rights standards such as the 'Charter of the United Nations,' the 'Guiding Principles on Business and Human Rights (UNGPs),' and the 'ILO Fundamental Conventions' and pledge to implement it.

- We respect the human rights of all stakeholders and foster a corporate culture that prioritizes dignity, equality, and mutual respect.
- We comply with international and domestic laws, regulations, and standards concerning human rights, labor, environment, and anti-corruption.
- We respect diversity among all stakeholders, and ensure that no one is discriminated against based on race, religion, disability, gender, nationality, or political views.
- We prohibit forced labor and child labor and comply with the recommendations of the International Labour Organization (ILO) and all labor principles ratified by the country regarding labor relations.
- We create a safe and hygienic working environment to prevent accidents and prioritize the physical and mental well-being of all employees.
- We strive for mutual growth with partner companies to fulfill our human rights responsibilities in the supply chain and support partner companies in practicing human rights management.
- We actively practice sustainable technological innovation for future generations and comply with environmental laws to ensure sustainable environmental conservation.
- We strive to prevent human rights violation and take prompt remedial measures if any issues arise.

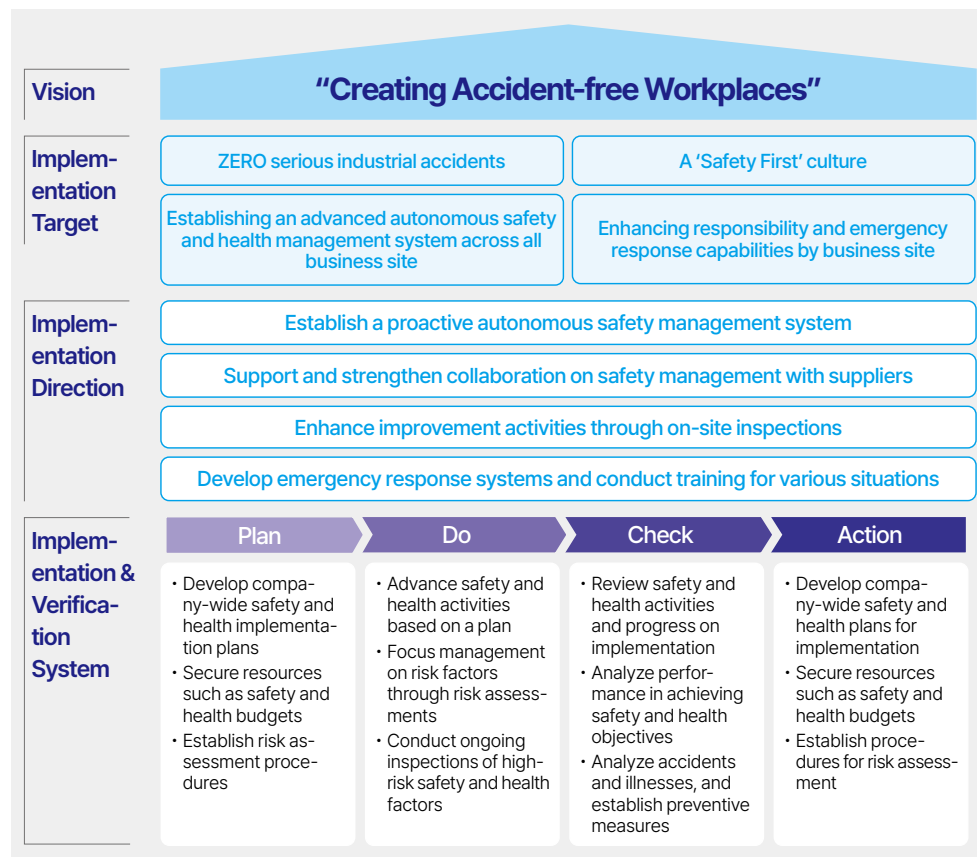
# Safety and Health

## Safety and Health Management System

### Strategic Direction

Hyosung TNC has established the vision of “Creating Accident-free Workplaces” and has set four core safety and health objectives to realize this vision. Each business site develops detailed annual targets and implementation plans aligned with these objectives and carries them out faithfully. Additionally, to systematically achieve its safety and health vision and strategic objectives, Hyosung TNC has formulated the Safety and Health 2030 Roadmap, which is being implemented in phases.

### Strategic Direction for Safety and Health



### Safety and Health Management System (ISO 45001)

Hyosung TNC operates a safety and health management system to ensure full compliance with applicable regulations, such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act, and to prevent industrial accidents. This system applies to all employees across all business sites, including headquarters. Major sites in Gumi and Ulsan regularly maintain and re-new ISO 45001 certification, annually verifying the system’s suitability and effectiveness through internal audits and third-party certification. Additionally, the company maintains an S-grade in PSM (Process Safety Management) and continuously strengthens its safety and health management framework through internal audits every four years and external audits every two years. Furthermore, at major business sites, in-house safety and health experts conduct monthly internal inspections to assess and improve the on-site safety and health performance.

### Safety and Health Certification Status

- Gumi plant Spandex PU site
- Gumi plant Nylon/Polyester PU site
- Ulsan plant Nylon/Polyester PU site



- ISO 45001 (Maintained)
  - PSM\* S-grade (Maintained)
- \* Process Safety Management



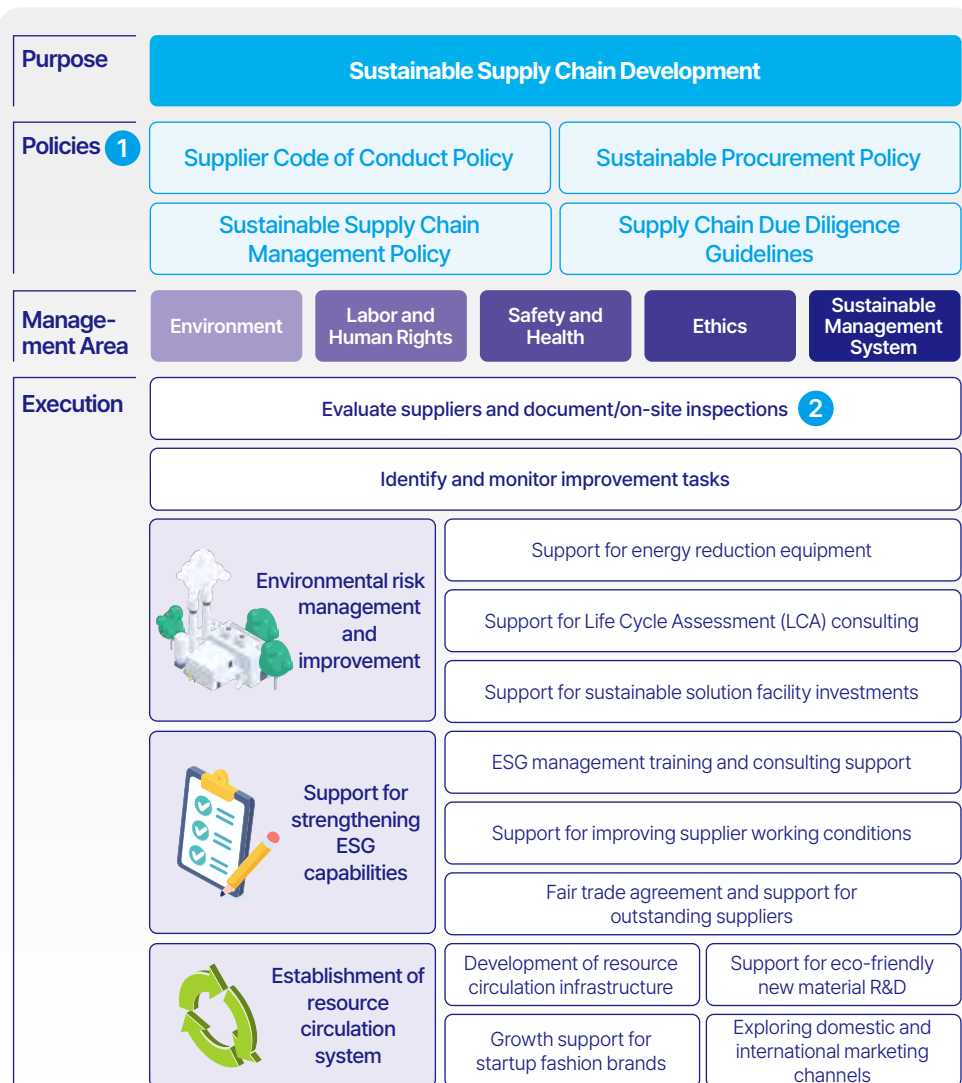
ISO 45001 - Spandex PU



ISO 45001 - Nylon/Polyester Yarn PU

# Sustainable Supply Chain

## Supply Chain Management System



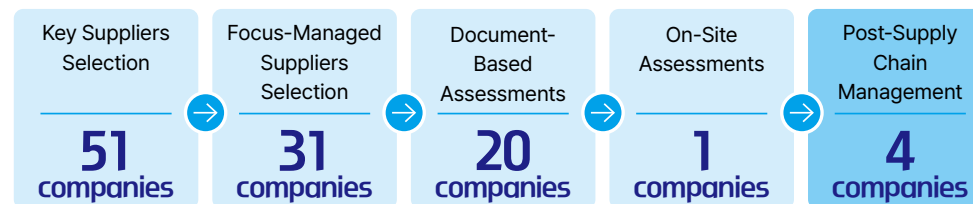
### 1 Supply Chain Management Policy

Hyosung TNC has systematically managed its supply chain by establishing a set of policies, such as the Sustainable Procurement Policy, Sustainable Supply Chain Management Policy, and Supply Chain Due Diligence Guidelines, based on global supply chain regulations, including the EU Corporate Sustainability Due Diligence Directive (CSDDD). To foster transparent and fair trading relationships with suppliers, the company also recommends signing a Supplier Code of Conduct Compliance Pledge. As of 2024, 200 existing suppliers and 33 new suppliers have signed the pledge, actively participating in sustainable supply chain management.

### 2 Supply Chain ESG Risk Assessment

Hyosung TNC conducts annual supplier ESG evaluations and risk diagnostics in accordance with the Supply Chain Due Diligence Guidelines. The Corporate Integrated Procurement Team identifies “key suppliers” based on ESG risks by country and industry, as well as transaction volume. From this group, “focus-managed suppliers” are selected through a comprehensive review considering transaction importance, ESG scores, and substitutability. For these selected suppliers, annual assessments are conducted through documentation or on-site audits, and “high-risk” suppliers are advised to undertake corrective actions. When necessary, Hyosung TNC also provides ESG capability enhancement training for high-risk key suppliers and continuously performs follow-up management and monitoring. In 2024, 31 out of 51 key suppliers were designated as priority management suppliers, and document-based assessments were fully completed for all 20 domestic companies. Going forward, the scope of these assessments will gradually expand to include overseas focus-managed suppliers. Additionally, an on-site audit was conducted for a high-risk supplier who was requested to implement improvement tasks in 2023. The company reviewed the progress of corrective actions, shared the evaluation results, and recommended follow-up measures to mitigate risks.

#### 2024 Supply Chain ESG Risk Assessment



# Ethics and Compliance Management

## Ethics and Compliance System

### Ethical Management Implementation Framework

Hyosung TNC's activities related to ethics and compliance are managed by the Audit Team and Legal Compliance Team, which consist of professionals of relevant business operations. The Tax Policy is managed by the Global Accounting and Tax Team. Hyosung TNC also appoints independent internal auditors to conduct thorough oversight across the company. In the event of an ethical issue, related items are reported to the PU heads management meeting chaired by the CEO and the results of compliance support activities are regularly reported to the Board in accordance with internal compliance control standards. Starting in 2025, the ESG Management Committee will deliberate and resolve agenda items related to fair trade and ethical management.

### Establishment of the ESG Management Committee

In 2025, Hyosung TNC established the ESG Management Committee under the BOD. The ESG Management Committee is responsible for deliberating on key matters related to ESG policies, goals, strategy formulation, and activities surrounding environment, safety, and climate change response. Through the operation of the ESG Management Committee, Hyosung TNC aims to secure expertise in ESG management and enhance its implementation framework.



### Policies and Standards

Hyosung TNC has established a Code of Ethics and Code of Practice to guide all employees in making ethical decisions. The company also enforces an Anti-Corruption Policy, ensuring employees adhere to anti-bribery laws and offering procedures to report potential risks. Additionally, a Tax Policy is in place to ensure compliance with domestic and international tax regulations and to minimize tax-related risks.

## Ethics and Compliance Management Activities

### Ethics and Compliance Reporting System

Hyosung TNC operates a whistleblowing channel accessible to all stakeholders, including employees, customers, suppliers, and members of local communities. The principles of whistleblower protection is in place, which includes confidentiality, protection against retaliation, and release of liability. Reports can be submitted anonymously or with the whistleblower's identity. Once a report is received, the company sends a confirmation notice to the whistleblower. All reports are reviewed based on objective evidence, and investigation plans are developed and executed in accordance with internal procedures. Upon completion, the results are communicated and resolved in line with company regulations.

### Promotion of Ethics and Compliance Culture

To foster an ethical culture and raise awareness among all employees, Hyosung TNC conducts regular training on ethics, anti-corruption, and fair trade across both domestic and overseas sites. The company also creates and distributes promotional videos and internal magazines to reinforce compliance awareness. New hires are required to sign a pledge affirming their commitment to ethical conduct, including a Compliance Pledge and a Pledge to Prohibit Improper Solicitation and Receipt of Gifts. Departments with elevated risk due to direct interactions with partner companies receive training on the Fair Transactions in Subcontracting Act and contract violation cases. The sales division receives training on the protection of trade secret, misconduct cases such as embezzlement or bribery, and relevant regulations including the Fair Trade Act and Fair Agency Transaction Act. To raise awareness of ethical practices throughout the supply chain, Hyosung TNC collects Supplier Code of Conduct Compliance Pledges and offers ESG consulting, including ethics and compliance training, to small and medium-sized suppliers.

### 2024 Ethical Management Training Performance

Training Program Title	Target Audience	Training Objective
Anti-corruption training (ethical management, company regulations, etc.)	All employees at headquarters (including contract employees)	Strengthening employees' compliance awareness
Vietnam local employees' ethical management training	All employees of the subsidiary	Enhancing the ethical awareness of employees at overseas subsidiaries and establishing ethical management
Ethical management training at Jiaxing chemical subsidiaries in China	Office staff of the subsidiary	

### Ethical Risk Management

Hyosung TNC investigates all reports of ethical misconduct submitted from both internal and external sources. The Audit Team conducts regular audits of select domestic and international business sites and subsidiaries, following internal audit procedures. Special audits are carried out when necessary to assess compliance with company policies, operational appropriateness, and ethical conduct. To protect whistleblowers and audit subjects from retaliation, anonymity is strictly maintained. Disciplinary action, including warnings, sanctions, or compensation, is taken based on the severity of any violation. All audit results are reported to the CEO. Audit subjects are required to implement corrective measures immediately and prevent recurrence through ongoing monitoring. In 2024, Hyosung TNC systematically managed the ethical management risks of overseas subsidiaries by implementing disciplinary actions against those who violated job regulations and anti-corruption policies at the Türkiye Corporation, Dong Nai Nylon Corporation, and Mexico Corporation.

# Hyosung TNC ESG Policy / Certification

## ESG Policy

Download 

### Environmental



- Environmental Management Policy
- Biodiversity Policy
- Anti-Deforestation Policy

### Social



- |                                                                           |                                              |
|---------------------------------------------------------------------------|----------------------------------------------|
| • Human Rights Policy                                                     | • Anti-Discrimination and Harassment Policy  |
| • Redress Manual for Human Rights Violations                              | • Sustainable Supply Chain Management Policy |
| • Diversity and Inclusion Policy                                          | • Supplier Code of Conduct                   |
| • Policy to Support the Elimination of Forced Labor and Human Trafficking | • Safety and Health Policy                   |

### Governance



- |                                      |                                              |
|--------------------------------------|----------------------------------------------|
| • Code of Ethics                     | • Export Restrictions on Strategic Materials |
| • Code of Ethics Practice Guidelines | • Fair Trade Compliance Manual               |
| • Anti-Corruption Policy             | • Anti-Corruption Policy                     |
| • Tax Policy                         | • Advertising and Marketing Ethics Policy    |

## Certification

Download 

### ISO14001: 2015

- Korea : Headquarters/Gumi/Ulsan/Daegu/Anyang R&D
- China : Hyosung Spandex (Jiaxing)/Hyosung Chemicals (Jiaxing)/Hyosung New Material & High Technology (Quzhou)
- Vietnam : Hyosung Dong Nai/Hyosung Dong Nai Nylon

### ISO45001: 2018

- Korea : Headquarters/Gumi/Ulsan/Daegu/Anyang R&D
- China : Hyosung Spandex (Jiaxing)/Hyosung Chemicals (Jiaxing)/Hyosung New Material & High Technology (Quzhou)

### ISO9001: 2015

- Korea : Headquarters/Gumi/Ulsan/Daegu/Anyang R&D
- China : Hyosung Spandex (Jiaxing)/Hyosung Chemicals (Jiaxing)/Hyosung New Material & High Technology (Quzhou)
- Hyosung Dong Nai/Hyosung Dong Nai Nylon
- Hyosung Istanbul TEKSTIL

### Others

- ZDHC Supplier to Zero Level 1&2 (Daegu)
- Higg Index Certificate of Completion (Daegu)
- Best Family Management Certification (Headquarters)

**HYOSUNG** TNC